**HARRISON TOWN SCHOOL DISTRICT**
**COUNTY OF HUDSON**
**NEW JERSEY**

# AUDITOR'S MANAGEMENT REPORT

## ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

**FISCAL YEAR ENDED JUNE 30, 2025**

**SAMUEL KLEIN AND COMPANY, LLP**
**CERTIFIED PUBLIC ACCOUNTANTS**

**HARRISON TOWN SCHOOL DISTRICT**
**COUNTY OF HUDSON**
**NEW JERSEY**

## AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE



**Tax ID # 22-6001967**

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# REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Harrison Town School District
County of Hudson, New Jersey 07029

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Harrison Town School District in the County of Hudson for the year ended June 30, 2025, and have issued our report thereon dated February 6, 2026.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Harrison Town Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

*SAMUEL KLEIN AND COMPANY, LLP, CPA's*

SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

*JOSEPH J. FACCONE*

JOSEPH J. FACCONE
Licensed Public School Accountant #194

Newark, New Jersey
February 6, 2026

## HARRISON TOWN SCHOOL DISTRICT

## ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

### Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

### Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule, contained in the District's Annual Comprehensive Financial Report (ACFR).

Official Bonds

| Name | Position | Amount of Bond |
|---|---|---|
| Daniel J. Choffo | Board Secretary/School Business Administrator | $850,000.00 |
| Gabriela V. Simoes Dos Santos | Treasurer of School Moneys | 220,000.00 |

There is an Employee Dishonesty Blanket Bond with the Selective Insurance Company covering all other employees with multiple coverage of $100,000.00.

P.L. 2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the school district.

The school district data certification was completed by the Chief School Administrator. The school district Chapter 44 data was submitted timely.

Tuition Charges

The tuition charge for East Newark Board of Education is fixed.

Tuition charges are fixed by contractual agreement which does not require the District to adjust future billings.

### Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or budget accounts.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

**<u>Financial Planning, Accounting and Reporting</u> (Continued)**

<u>Payroll Account and Position Control Roster</u>

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies including health benefits premium amounts withheld due to the general fund.

The propriety of deductions from individual salaries for Pensions, Social Security, Withholding Tax and other purposes was not verified as part of this examination.

<u>Reserve for Encumbrances and Accounts Payable</u>

A review of outstanding issued purchase orders was made as of June 30, 2025 for proper classification of orders as reserve for encumbrances and accounts payable.

All encumbrances, contracts, salaries and expenditures for state and federally funded projects were in accordance with laws and regulations and in conformity with procurement requirements.

<u>Unemployment Compensation Insurance Trust Fund</u>

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund.

<u>Classification of Expenditures</u>

The coding of expenditures was tested for proper classification in accordance with <u>N.J.A.C.</u> 6A:23-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. There were no transaction errors noted as a result of the procedures performed.

<u>Board Secretary's Records</u>

The financial records, books of accounts and minutes maintained by the Board Secretary were in satisfactory condition after much subsequent work. The prescribed contractual order system was followed.

*Finding 2025-01:*

*Condition:*

Close-out records were not available for our review until December 9, 2025.

*Recommendation:*

That greater care be utilized to close out the school year in a more timely manner.

*Management's Response:*

The Board of Education was involved in a lengthy Collaborative Federal Monitoring Audit (CFM) with the State Department of Education for the 2020-21 and 2021-22 fiscal years for multiple grants such as IDEA, Titles I, II, III, Cares, CRRSA and Perkins. Also, our office has instituted a new payroll and accounting system.

**Financial Planning, Accounting and Reporting (Continued)**

Board Secretary's Records (Continued)

*Finding 2025-02:*

*Condition:*

Adjustments were made to the current appropriations for increases that were not supported by additional available funds. Because of these adjustments, there were several line items over-expended.

*Recommendation:*

That all adjustments to the budget be properly supported to avoid overexpenditures.

*Management's Response:*

This was due to the incorrect amount that was originally budgeted for Health Care Costs for the District.

*Finding 2025-03:*

*Condition:*

The Board of Education finished the year with an Undesignated Fund of $134,821.18, which is below the State Department of Education's recommended 2% of operating expenditures in the amount of $1,096,821.79. Also, there was no available fund balance to support what was anticipated in the 2025-2026 Adopted Budget.

*Recommendation:*

That the Board of Education's initial plans to get its Undesignated Fund Balance back to the State Department of Education's recommended 2% of operating expenditures.

*Management's Response:*

Due to an increased number of Special Education students and Bilingual (ELL) students the District needed to hire additional aids for translation purposes and needed to send out three additional students to Private Schools (Disabled Students).

The School District's double entry system of account records were maintained in accordance with the Department of Education's prescribed GAAP Technical Systems Manual, pursuant to N.J.S.A. 18A:4-14 and N.J.A.C. 60-20-2A.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

Treasurer's Records

The Treasurer's records were examined and found to be in agreement with the records of the Board Secretary.

Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

**Financial Planning, Accounting and Reporting (Continued)**

Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA) (Continued)

*Finding 2025-04:*

*Condition:*

We noticed in some cases that the full amount of approved grants were drawn-down entirely without fully expended funds, thus creating Deferred Revenue.

*Recommendation:*

That grant reimbursements be made only for the actual expenditures that the Board of Education spent.

*Management's Response:*

The District was facing a cash flow issue and there was a breakdown in communication between the Grant Coordinator and the Fiscal Analyst with regard to timing of expenses incurred.

Other Special Federal and State Projects

The District's Special Projects were approved as listed on Schedule A (K-3) and Schedule B (K-4) reflected in the ACFR.

Our audit of the federal and state funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated that there were no areas of noncompliance and/or questioned costs.

TPAF Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 days grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Report(s) for all federal awards.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 is $44,000.00 without a Qualified Purchasing Agent. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is $20,200.00 for 2024-2025.

**School Purchasing Programs (Continued)**

Contracts and Agreements Requiring Advertisement for Bids (Continued)

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts, or agreements were made for the "performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, as amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

**School Food Service**

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A.* 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC Fixed Price or non-competitive emergency procurement contract/addendum were reviewed and audited. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the school food service.

The FSMC did apply for and receive a loan in accordance with Payroll Protection Plan and did use the funds to pay for costs applicable to the Food Service Programs. The PPP loan is still pending forgiveness and the FSMC did not refund or credit the applicable amounts to the SFA.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food.

Service employees were authorized by the board of education/board of trustees. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were/were not submitted/certified in a timely manner.

**School Food Service (Continued)**

Applications for fee and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the School System. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The School District did provide the detailed revenue and expenditure information necessary in order to execute the U.S.D.A. mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting child nutrition program operations are included in the section entitled Enterprise Funds, Section G of the ACFR.

**Student Body Activities**

The Student Body Activity Fund encompasses three (3) Elementary Schools, one (1) Middle School, one (1) Athletic Account and the High School.

Cash receipts and disbursements records submitted for examination were analyzed in detail. Cancelled checks and available vouchers and invoices were examined and compared to disbursement records.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2024 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the District procedures related to its completion. The information on the ASSA was compared to the District workpapers without exception. The information that was included on the workpapers was compared to the registers without exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our audit procedures included a test of on-roll status reported in the 2024-2025 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

Accounting for capital assets is required in order to maintain physical accountability over the assets owned by a school. The accounting system should provide a record of the fixed assets obtained over the years that are still in service and identify the funding source for the purchase of those assets. This provides the ability to prevent, detect and recognize losses of capital assets. The New Jersey Department of Education notified school districts that, effective July 1, 2001, there is a $2,000.00 capitalization threshold for capital assets. This is a policy set for financial reporting and accounting purposes. Schools may use a lower threshold for asset management and insurance purposes.

**<u>Facilities and Capital Assets</u> (Continued)**

*Finding 2025-05:*

*Condition:*

The Capital Fixed Asset Report was not updated for the 2024-2025 school year.

*Recommendation:*

That the Capital Fixed Assets be updated every school year.

*Management's Response:*

Rullo & Juliet Associates, the District's Asset Management Provider, was tasked with completing the Asset Report and I will contact them to obtain another copy.

**<u>Testing for Lead of all Drinking Water in Educational Facilities</u>**

The School District adheres to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The School District did submit the Annual Statement of Assurance to the Department of Education pursuant to N.J.A.C. 6A:26-12.4(g).

**<u>Follow-Up on Prior Years' Findings</u>**

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings.

**<u>Miscellaneous</u>**

The minutes indicate that the Report on Examination of Accounts for the 2023-2024 fiscal year was reviewed by the Board, a synopsis thereof distributed at a public meeting and public discussion held.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

**Acknowledgment**

We received the complete cooperation of all the officials of the School District and greatly appreciate the courtesies extended to the members of the audit team.

*SAMUEL KLEIN AND COMPANY, LLP, CPA's*

SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

*JOSEPH J. FACCONE*

JOSEPH J. FACCONE
Licensed Public School Accountant #194

Newark, New Jersey
February 6, 2026

**SCHEDULE OF MEAL COUNT ACTIVITY**

**HARRISON TOWN SCHOOL DISTRICT**
**SCHOOL FOOD SERVICE**
**NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL**
**ENTERPRISE FUNDS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| Program | Meal Category | Meals Claimed | Meals Tested | Meals Verified | Difference | Rate | (Over)/ Under-claim |
|---|---|---|---|---|---|---|---|
| National School Lunch (High Rate) | Free | 223,986 | 65,050 | 65,050 | None | $ 4.45 | None |
| National School Lunch (High Rate) | Paid | 26,112 | 7,531 | 7,531 | None | $ 0.44 | None |
| National School Lunch (High Rate) | Reduced | 37,324 | 10,408 | 10,408 | None | $ 4.05 | None |
| Total National School Lunch (High Rate) | | 287,422 | 82,989 | 82,989 | None | | None |
| National School Lunch | HHFKA - PB Lunch Only | 287,422 | 82,989 | 82,989 | None | $ 0.09 | None |
| National School Breakfast - (Severe Needs) | Free | 134,796 | 40,008 | 40,008 | None | $ 2.84 | None |
| National School Breakfast - (Severe Needs) | Paid | 25,531 | 7,606 | 7,606 | None | $ 0.39 | None |
| National School Breakfast - (Severe Needs) | Reduced | 23,118 | 6,933 | 6,933 | None | $2.54 | None |
| Total National School Breakfast - (Severe Needs) | | 183,445 | 54,547 | 54,547 | None | | None |
| After School Snacks | Free (Area Eligible) | 41,162 | 10,219 | 10,219 | None | $ 1.21 | None |
| Total After School Snacks | | 41,162 | 10,219 | 10,219 | None | | None |
| Total Net Underclaim/(Overclaim) | | | | | | | None |

**SCHEDULE OF MEAL COUNT ACTIVITY**

**HARRISON TOWN SCHOOL DISTRICT**
**SCHOOL FOOD SERVICE**
**NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - STATE**
**ENTERPRISE FUNDS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| Program | Meal Category | Meals Claimed | Meals Tested | Meals Verified | Difference | Rate | (Over)/ Under- claim |
|---|---|---|---|---|---|---|---|
| State Reimbursement- National School Lunch (High Rate) | Free | 223,986 | 65,050 | 65,050 | None | $0.07 | None |
| State Reimbursement- National School Lunch (High Rate) | Paid | 26,112 | 7,531 | 7,531 | None | $0.06 | None |
| State Reimbursement- National School Lunch (High Rate) | Reduced | 37,324 | 10,408 | 10,408 | None | $0.47 | None |
| State Reimbursement- National School Lunch (High Rate) | NJEIE | 7,531 | 2,279 | 2,279 | None | $4.01 | None |
| Total State Reimbursement- National School Lunch (High Rate) | | 294,953 | 85,268 | 85,268 | None | | None |
| State Reimbursement- National School Breakfast - (Severe Needs) | Reduced | 23,118 | 6,933 | 6,933 | None | $0.30 | None |
| State Reimbursement- National School Breakfast - (Severe Needs) | Bkfst/Bell | 183,445 | 54,547 | 54,547 | None | $0.10 | None |
| State Reimbursement- National School Breakfast - (Severe Needs) | NJEIE | 4,985 | 1,535 | 1,535 | None | $2.45 | None |
| Total State Reimbursement- National School Breakfast - (Severe Needs) | | 211,548 | 63,015 | 63,015 | None | | None |
| Total Net Underclaim/(Overclaim) | | | | | | | None |

**HARRISON TOWN SCHOOL DISTRICT**
**COUNTY OF HUDSON**
**FISCAL YEAR ENDED JUNE 30, 2025**

## NET CASH RESOURCE SCHEDULE

### Net Cash Resources did not Exceed Three Months of Expenditures
### Proprietary Funds - Food Service
### FYE 2025

| | | | Food Service B - 4/5 | |
|---|---|---|---|---|
| **Net Cash Resources:** | | | | |
| **ACFR** | * | **Current Assets** | | |
| B-4 | | Cash and Cash Equiv. | $ 117,331 | |
| B-4 | | Due from Other Gov'ts. | $ 142,092 | |
| B-4 | | Due from Other Funds | $ 186,396 | |
| B-4 | | Investments | | |
| **ACFR** | | **Current Liabilities** | | |
| B-4 | | Less Accounts Payable | $ (144,122) | |
| B-4 | | Less Accruals | | |
| B-4 | | Less Due to Other Funds | | |
| B-4 | | Less Deferred Revenue | | |
| | | **Net Cash Resources** | **$ 301,697** | **(A)** |
| **Net Adj. Total Operating Expense:** | | | | |
| B-5 | | Tot. Operating Exp. | 2,264,307 | |
| B-5 | | Less Depreciation | | |
| | | Adj. Tot. Oper. Exp. | **$ 2,264,307** | **(B)** |
| **Average Monthly Operating Expense:** | | | | |
| | | B / 10 | **$ 226,431** | **(C)** |
| **Three Times Monthly Average:** | | | | |
| | | 3 X C | **$ 679,292** | **(D)** |

| | |
|---|---|
| TOTAL IN BOX A | $ 301,697 |
| LESS TOTAL IN BOX D | $ 679,292 |
| NET | **$ (377,595)** |

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.**
**D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

*Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

**SCHEDULE OF AUDITED ENROLLMENTS**

**HARRISON TOWN SCHOOL DISTRICT**
**APPLICATION FOR STATE SCHOOL AID SUMMARY**
**ENROLLMENT AS OF OCTOBER 15, 2024**

| | 2025-2026 Application for State School Aid | | | | | | Sample for Verification | | | | | | Private Schools for Disabled | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Reported on A.S.S.A. On-Roll | | Reported on Workpapers On-Roll | | Errors | | Sample Selected from Workpapers | | Verified per Registers On-Roll | | Errors per Registers On-Roll | | Reported on A.S.S.A. as Private Schools | Sample for Verifi-cation | Sample Verified | Sample Errors |
| | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | | | | |
| Half Day Preschool | | | | | | | | | | | | | | | | |
| Full Day Preschool | | | | | | | | | | | | | | | | |
| Half Day Kindergarten | | | | | 0 | 0 | | | | | 0 | 0 | | | | 0 |
| Full Day Kindergarten | 7 | | 7 | | 0 | 0 | 1 | | 1 | | 0 | 0 | | | | 0 |
| One | 3 | | 3 | | 0 | 0 | 1 | | 1 | | 0 | 0 | | | | 0 |
| Two | 138 | | 138 | | 0 | 0 | 18 | | 18 | | 0 | 0 | | | | 0 |
| Three | 117 | | 117 | | 0 | 0 | 15 | | 15 | | 0 | 0 | | | | 0 |
| Four | 148 | | 148 | | 0 | 0 | 19 | | 19 | | 0 | 0 | | | | 0 |
| Five | 108 | | 108 | | 0 | 0 | 14 | | 14 | | 0 | 0 | | | | 0 |
| Six | 126 | | 126 | | 0 | 0 | 16 | | 16 | | 0 | 0 | | | | 0 |
| Seven | 118 | | 118 | | 0 | 0 | 15 | | 15 | | 0 | 0 | | | | 0 |
| Eight | 115 | | 115 | | 0 | 0 | 15 | | 15 | | 0 | 0 | | | | 0 |
| Nine | 130 | | 130 | | 0 | 0 | 17 | | 17 | | 0 | 0 | | | | 0 |
| Ten | 139 | | 139 | | 0 | 0 | 18 | | 18 | | 0 | 0 | | | | 0 |
| Eleven | 192 | | 192 | | 0 | 0 | 25 | | 25 | | 0 | 0 | | | | 0 |
| Twelve | 181 | | 181 | | 0 | 0 | 23 | | 23 | | 0 | 0 | | | | 0 |
| Post-Graduate | 165 | | 165 | | 0 | 0 | 21 | | 21 | | 0 | 0 | | | | 0 |
| Adult H.S. (15+CR.) | 162 | | 162 | | 0 | 0 | 21 | | 21 | | 0 | 0 | | | | 0 |
| Adult H.S. (1-14 CR.) | | | | | 0 | 0 | | | | | 0 | 0 | | | | 0 |
| Sub-Total | 1,849 | 0 | 1,849 | 0 | 0 | 0 | 239 | 0 | 239 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Special Ed - Elementary | 167 | | 167 | | 0 | 0 | 21 | | 21 | | 0 | 0 | 12 | 10 | 10 | 0 |
| Special Ed - Middle School | 82 | | 82 | | 0 | 0 | 11 | | 11 | | 0 | 0 | 5 | 4 | 4 | 0 |
| Special Ed - High School | 97 | | 97 | | 0 | 0 | 13 | | 13 | | 0 | 0 | 13 | 11 | 11 | 0 |
| Sub-Total | 346 | 0 | 346 | 0 | 0 | 0 | 45 | 0 | 45 | 0 | 0 | 0 | 30 | 25 | 25 | 0 |
| Co. Voc. - Regular | | | | | 0 | 0 | | | | | 0 | 0 | | | | 0 |
| Co. Voc. Ft. Post Sec. | | | | | 0 | 0 | | | | | 0 | 0 | | | | 0 |
| Totals | 2,195 | 0 | 2,195 | 0 | 0 | 0 | 284 | 0 | 284 | 0 | 0 | 0 | 30 | 25 | 25 | 0 |
| Percentage Error | | | | | 0.00% | 0.00% | | | | | 0.00% | 0.00% | | | | 0.00% |

**SCHEDULE OF AUDITED ENROLLMENTS**

**HARRISON TOWN SCHOOL DISTRICT**
**APPLICATION FOR STATE SCHOOL AID SUMMARY**
**ENROLLMENT AS OF OCTOBER 15, 2024**

| | Resident Low Income | | | Sample for Verification | | | Resident LIEP Low Income | | | Sample for Verification | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Reported on A.S.S.A. as Low Income | Reported on Workpapers as Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors | Reported on A.S.S.A. as LIEP low Income | Reported on Workpapers as LIEP low Income | Errors | Sample Selected from Workpapers | Verified to Test Score and Register | Sample Errors |
| Half Day Preschool | | | | | | | | | | | | |
| Full Day Preschool | | | | | | | | | | | | |
| Half Day Kindergarten | | | 0 | | | 0 | | | 0 | | | 0 |
| Full Day Kindergarten | 109 | 109 | 0 | 17 | 17 | 0 | 42 | 42 | 0 | 13 | 13 | 0 |
| One | 97 | 97 | 0 | 15 | 15 | 0 | 40 | 40 | 0 | 13 | 13 | 0 |
| Two | 121 | 121 | 0 | 18 | 18 | 0 | 53 | 53 | 0 | 18 | 18 | 0 |
| Three | 97 | 97 | 0 | 15 | 15 | 0 | 40 | 40 | 0 | 13 | 13 | 0 |
| Four | 109 | 109 | 0 | 16 | 16 | 0 | 36 | 36 | 0 | 12 | 12 | 0 |
| Five | 104 | 104 | 0 | 16 | 16 | 0 | 36 | 36 | 0 | 12 | 12 | 0 |
| Six | 102 | 102 | 0 | 15 | 15 | 0 | 27 | 27 | 0 | 9 | 9 | 0 |
| Seven | 115 | 115 | 0 | 17 | 17 | 0 | 47 | 47 | 0 | 16 | 16 | 0 |
| Eight | 121 | 121 | 0 | 18 | 18 | 0 | 42 | 42 | 0 | 13 | 13 | 0 |
| Nine | 151 | 151 | 0 | 23 | 23 | 0 | 53 | 53 | 0 | 18 | 18 | 0 |
| Ten | 143 | 143 | 0 | 22 | 22 | 0 | 50 | 50 | 0 | 16 | 16 | 0 |
| Eleven | 121 | 121 | 0 | 18 | 18 | 0 | 44 | 44 | 0 | 15 | 15 | 0 |
| Twelve | 130 | 130 | 0 | 20 | 20 | 0 | 44 | 44 | 0 | 14 | 14 | 0 |
| Post-Graduate | | | 0 | | | 0 | | | 0 | | | 0 |
| Adult H.S. (15+CR.) | | | 0 | | | 0 | | | 0 | | | 0 |
| Adult H.S. (1-14 CR.) | | | 0 | | | 0 | | | 0 | | | 0 |
| Sub-Total | 1,520 | 1,520 | 0 | 230 | 230 | 0 | 554 | 554 | 0 | 182 | 182 | 0 |
| Special Ed - Elementary | 159 | 159 | 0 | 24 | 24 | 0 | 34 | 34 | 0 | 12 | 12 | 0 |
| Special Ed - Middle | 80 | 80 | 0 | 12 | 12 | 0 | 8 | 8 | 0 | 2 | 2 | 0 |
| Special Ed - High | 83 | 83 | 0 | 13 | 13 | 0 | 1 | 1 | 0 | 1 | 1 | 0 |
| Sub-Total | 322 | 322 | 0 | 49 | 49 | 0 | 43 | 43 | 0 | 15 | 15 | 0 |
| Co. Voc. - Regular | | | 0 | | | 0 | | | 0 | | | 0 |
| Co. Voc. Ft. Post Sec. | | | 0 | | | 0 | | | 0 | | | 0 |
| Totals | 1,842 | 1,842 | 0 | 279 | 279 | 0 | 597 | 597 | 0 | 197 | 197 | 0 |
| | | | | (c) | | | | | | (d) | | |
| Percentage Error | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% |

| | Transportation | | | | | |
|---|---|---|---|---|---|---|
| | Reported on DRTRS by DOE/County | Reported on DRTRS by District | Errors | Tested | Verified | Errors |
| Reg. - Public Schools, col. 1 | | | 0 | | | 0 |
| Reg -Special Ed, col. 4 | | | 0 | | | 0 |
| Transported - Non-Public, col. 3 | | | 0 | | | 0 |
| Special Ed Spec, col. 6 | 33 | 33 | 0 | 28 | 28 | 0 |
| Totals | 33 | 33 | 0 | 28 | 28 | 0 |
| Percentage Error | | | | | | 0.00% |

| | Reported | Recalculated |
|---|---|---|
| Reg Avg.(Mileage) = Regular Including Grade PK Students (Part A) | 0 | 0 |
| Reg Avg.(Mileage) = Regular Excluding Grade PK Students (Part B) | If Applicable | |
| Spec Avg. = Special Ed with Special Needs | 12.7 | 12.7 |

**SCHEDULE OF AUDITED ENROLLMENTS**

## HARRISON TOWN SCHOOL DISTRICT
## APPLICATION FOR STATE SCHOOL AID SUMMARY
## ENROLLMENT AS OF OCTOBER 15, 2024

| | Resident LIEP NOT Low Income | | | Sample for Verification | | |
|---|---|---|---|---|---|---|
| | Reported on A.S.S.A. as NOT Low Income | Reported on Workpapers as NOT Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors |
| Half Day Preschool | | | | | | |
| Full Day Preschool | | | | | | |
| Half Day Kindergarten | | | 0 | | | 0 |
| Full Day Kindergarten | 1 | 1 | 0 | 0 | 0 | 0 |
| One | 1 | 1 | 0 | 0 | 0 | 0 |
| Two | 3 | 3 | 0 | 1 | 1 | 0 |
| Three | 2 | 2 | 0 | 1 | 1 | 0 |
| Four | 1 | 1 | 0 | 0 | 0 | 0 |
| Five | 4 | 4 | 0 | 1 | 1 | 0 |
| Six | 1 | 1 | 0 | 1 | 1 | 0 |
| Seven | 3 | 3 | 0 | 1 | 1 | 0 |
| Eight | 0 | 0 | 0 | 0 | 0 | 0 |
| Nine | 3 | 3 | 0 | 1 | 1 | 0 |
| Ten | 1 | 1 | 0 | 1 | 1 | 0 |
| Eleven | 4 | 4 | 0 | 1 | 1 | 0 |
| Twelve | 0 | 0 | 0 | 0 | 0 | 0 |
| Post-Graduate | | | 0 | | | 0 |
| Adult H.S. (15+CR.) | | | 0 | | | 0 |
| Adult H.S. (1-14 CR.) | | | 0 | | | 0 |
| Sub-Total | 24 | 24 | 0 | 8 | 8 | 0 |
| | | | | | | |
| Special Ed - Elementary | 3 | 3 | 0 | 1 | 1 | 0 |
| Special Ed - Middle | 0 | 0 | 0 | 0 | 0 | 0 |
| Special Ed - High | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total | 3 | 3 | 0 | 1 | 1 | 0 |
| | | | | | | |
| Co. Voc. - Regular | | | 0 | | | 0 |
| Co. Voc. Ft. Post Sec. | | | 0 | | | 0 |
| Totals | 27 | 27 | 0 | 9 | 9 | 0 |
| | | | | | | |
| Percentage Error | | | 0.00% | | | 0.00% |

**HARRISON TOWN SCHOOL DISTRICT**
**COUNTY OF HUDSON**
**FISCAL YEAR ENDED JUNE 30, 2025**

**EXCESS SURPLUS CALCULATION**

**SCHOOL BASED BUDGET DISTRICT**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

| | | | | |
|---|---|---|---|---|
| 2024-25 Total General Fund Expenditures per the ACFR, Ex. C-1 | $ 60,004,912.64 | (A) | | |
| Increased by: | | | | |
| Transfer from Capital Outlay to Capital Projects Fund | $ | (A1a) | | |
| Transfer from Capital Reserve to Capital Projects Fund | $ | (A1a) | | |
| Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2 | $ | (A1b) | | |
| Decreased by: | | | | |
| On-Behalf TPAF Pension and Social Security | $ 11,090,618.20 | (A4) | | |
| Assets Acquired Under Capital Leases in Fund 15 | $ | (A5) | | |
| Adjusted 2024-25 General Fund Expenditures | $ 48,914,294.44 | (A9) | | |
| 2% of Adjusted 2024-25 General Fund Expenditures [(A9) times .02] | $ 978,285.89 | (A10) | | |
| Enter Greater of (A10) or $250,000 | $ 978,285.89 | (A11) | | |
| Increased by: Allowable Adjustment * | $ 585,321.00 | (K) | | |
| Maximum Unassigned Fund Balance [(A11)+(K)] | | | $ 1,563,606.89 | (M) |

**SECTION 2**

| | | | | |
|---|---|---|---|---|
| Total General Fund - Fund Balances @ 6-30-25 (Per ACFR Budgetary Comparison Schedule C-1) | $ 925,283.29 | (C) | | |
| Decreased by: | | | | |
| Year ended Encumbrances | $ 43,781.19 | (C1) | | |
| Legally Restricted - Designated for Subsequent Year's Expenditures | $ | (C2) | | |
| Excess Surplus - Designated for Subsequent Year's Expenditures** | $ 15,519.76 | (C3) | | |
| Other Restricted Fund Balances **** | $ 731,161.16 | (C4) | | |
| Assigned - Fund Balance - Designated for Subsequent Year's Expenditures | $ 531,982.24 | (C5) | | |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)] | | | $ (397,161.06) | (U1) |

**HARRISON TOWN SCHOOL DISTRICT**
**COUNTY OF HUDSON**
**FISCAL YEAR ENDED JUNE 30, 2025**

**SECTION 3**

| | | |
|---|---|---|
| Restricted Fund Balance - Excess Surplus***[(U2)-(M)] IF NEGATIVE ENTER -0- | $ 0.00 | (E) |

***Recapitulation of Excess Surplus as of June 30, 2025***

| | | |
|---|---|---|
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures** | $ 15,519.76 | (C3) |
| Reserved Excess Surplus***[(E)] | $ 0.00 | (E) |
| Total [(C3) + (E)] | $ 15,519.76 | (D) |

* This adjustment line (as detailed below) is to be utilized for Impact Aid, Sale and Lease-Back (Refer to the Audit Program Section II, Chapter 10) and Extraordinary Aid, and Additional Nonpublic School Transportation Aid. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

***Detail of Allowable Adjustments***

| | | |
|---|---|---|
| Impact Aid | $ | (H) |
| Sale and Lease-Back | $ | (I) |
| Extraordinary Aid | $ 585,321.00 | (J1) |
| Additional Nonpublic School Transportation Aid | $ | (J2) |
| Total Adjustments [(H)+(I)+(J1)+(J2)] | $ 585,321.00 | (K) |

** This amount represents the June 30, 2025 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2025 ACFR and Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant Commissioner - Field Services prior to September 30.

***Detail of Other Restricted Fund Balance***

| | | |
|---|---|---|
| Statutory restrictions: | | |
| Approved unspent separate proposal | $ | |
| Capital outlay for a district with a capital outlay Cap Waiver | $ | |
| Sale/lease-back reserve | $ | |
| Capital reserve | $ 453,145.75 | |
| Maintenance reserve | $ | |
| Unemployment reserve | $ 278,015.41 | |
| Other state/government mandated reserve | $ | |
| [Other Restricted Fund Balance not noted above] **** | $ | |
| Total Other Restricted Fund Balance | $ 731,161.16 | (C4) |

HARRISON TOWN SCHOOL DISTRICT

ENCUMBRANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Encumbrances per the June 30, 2025 Board Secretary's Report $1,413,450.59

| Description | Total by Category | Amount Properly Encumbered | Encumbrances Cancelled Through Audit Adjustments |
|---|---|---|---|
| Salaries | $ 24,580.00 | $24,580.00 | $ |
| Supplies and Materials | 12,368.27 | 12,368.27 | |
| General Supplies | 18,471.95 | 4,794.18 | 13,677.77 |
| Purchased Technical Services | 2,748.00 | 38.00 | 2,710.00 |
| Communications/Telephones | 1,069.51 | | 1,069.51 |
| Tuition | 139,292.63 | | 139,292.63 |
| Operations of Plant | 49,720.65 | | 49,720.65 |
| Transportation | 2,491.99 | | 2,491.99 |
| Health Benefits | 1,160,706.85 | | 1,160,706.85 |
| Textbooks | 1,259.42 | 1,259.42 | |
| Other Objects | 741.32 | 741.32 | |
| | 1,413,450.59 | 43,781.19 | 1,369,669.40 |

| | |
|---|---|
| Total Encumbrances Cancelled During the Audit | 1,369,669.40 |
| Fund Balance Reserved for Encumbrances in the ACFR | $ 43,781.19 |

**HARRISON TOWN SCHOOL DISTRICT**
**AUDIT RECOMMENDATIONS SUMMARY**
**FISCAL YEAR ENDED JUNE 30, 2024**

It is recommended that:

1. Administrative Practices and Procedures

   None

2. Financial Planning, Accounting and Reporting

   That greater care be utilized to close out the school year in a more timely manner.

   That all adjustments to the budget be properly supported to avoid overexpenditures.

   That the Board of Education's initial plans to get its Undesignated Fund Balance back to the State Department of Education's recommended 2% of operating expenditures.

   That grant reimbursements be made only for the actual expenditures that the Board of Education spent.

3. School Purchasing Program

   None

4. School Food Service

   None

5. Student Body Activities

   None

6. Application for State School Aid

   None

7. Pupil Transportation

   None

8. Federal Programs

   None

9. Facilities and Capital Assets

   That the Capital Fixed Assets be updated every school year.

10. Follow-Up on Prior Years' Findings

    None

11. Miscellaneous

    None